

**FINA 3000: Financial Management  
Syllabus**  
**Term: Summer 2007 (Second Session); Call #:40-524**  
**Daily 9:15-11:30; Room 204, Caldwell**

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*E-mail me at the above e-mail address- I will not check webct e-mail. Include FINA 3000 in subject line.*

**Course description:**

This course covers the basic concepts and analytical tools of finance in both corporate finance and investments. Topics include risk and return, financial institutions, efficient markets, valuation theory, capital budgeting, portfolio theory, cost of capital, and international finance.

The field of finance is very broad. In FINA 3000, we survey several of these key components of the financial system. The goal is for finance majors to have a strong foundation for their major courses, and for non-finance majors, the goal is to develop a set of finance tools that will be useful in future employment and daily life.

**Prerequisite:**

ACCT 2101 and (MIST 2090 or CSCI 1100-1100L).

**Required Materials:**

*Essentials of Corporate Finance*, 5<sup>th</sup> edition by Ross, Westerfield, and Jordan (McGraw Hill Publishing)  
 ISBN: 0072946733

Financial Calculator: **TI BA II PLUS**

See additional note about the book and the financial calculator at the end of the syllabus.

**Course Grading Policies:**

The course grade will be determined by in-class tests and a final exam. The final grade will be assigned using the following point scales:

Option I		Option II	
Tests (2 worth 100 points each)	200 points	Tests (Best 1 out of 2, 100 points each)	100 points
Final Exam	100 points	Final Exam	200 points
	300 points		300 points
Test I	July 16 (M)	Final Exam	Aug 1 (W)
Test II	July 24 (T)		
Points Required for Each Grade (Cut-offs will not increase but may be lowered)			
A	93%	279 points	C+ 77% 231 points
A-	90%	270 points	C 73% 219 points
B+	87%	261 points	C- 70% 210 points
B	83%	249 points	D 60% 180 points
B-	80%	240 points	

**TESTS AND FINAL:**

Each test and the final exam use multiple-choice questions. Though tests will not be cumulative in nature, an understanding of the main topics of the previous sections will typically be critical to understanding the current material. The final exam will be cumulative.

Under OPTION 1, each of the two in class tests is worth 100 points with no drops allowed. The final exam is cumulative and weighted the same as each test. Under OPTION 2, each test is worth 100 points but only

the top score count toward the overall grade. The final exam is cumulative and counts as two test grades or 200 points. Your grade will be your higher score under the two options. The **grade cutoffs may be lowered** to curve overall grades. **The cutoffs for each grade will NOT increase.**

Students absent from any test will receive a score of zero for that particular test. THERE ARE NO MAKEUP TESTS FOR ANY REASON WHATSOEVER. The weight from any missed test will be transferred to the final exam. If you miss one test, you will be graded under OPTION 2. If you miss more than one test, I will put additional weight on your final exam provided BOTH absences are due to serious illness, a family emergency, or a university sponsored event. (You must provide me a formal note **and** a phone call from a physician or other relevant person.)

***Attendance:***

Attendance is required but will not be taken daily. However, **you are responsible for all material covered in class, and all changes that are made in course content during class. If you miss a class, talk to your friends, read the book, refer to the notes, etc;** don't expect me to go through the lecture once again. Lectures build on previous material, so regular attendance is essential for success in the course.

***Withdrawal Policy:***

Prior to final drop day, students who withdraw will receive one of two grades: W (withdrew passing) or WF (withdrew failing). If the class has already taken one or more tests, the withdrawing student must have passed at least one test to get a W grade. If the withdrawing student has skipped all tests, that student will receive a WF.

***Homework:***

Suggested problems will be assigned from the text, and solutions will be posted on the WebCT. Homework problems extend the concepts taught in class and are excellent preparation for test questions.

***Honor Code:***

All academic work must meet the standards contained in "A Culture of Honesty." All students are responsible to inform themselves about those standards before performing any academic work. ANY violation will be reported to the Office of Academic Affairs.

***Tentative Course Outline:***

<i>Topic</i>	<i>Book Chapter</i>	<i>Days Covered</i>
Introduction and Syllabus		Day 1a
Part 1: Introduction and Financial Management	Chapter 1	Day 1b, 2
Part 2: Financial Statements	Chapter 2,3	Day 3
Part 3: Time Value of Money	Chapter 4,5	Day 4,5
Reserve Time (Review for Test-I)		Day 6
Test – I		Day 7
Part 4a: Interest Rates and Bond Valuation	Chapter 6	Day 8,9a
Part 4b: Stock Valuation	Chapter 7	Day 9b,10
Part 5: Net Present Valuation and Other Investment Criteria	Chapter 8	Day 11
Reserve Time (Self-Study Problems on Test2 Review)		Day 12
Test – II		Day 13
Part 6: Risk and Return	Chapters 10,11	Day 14,15
Part 7: Cost of Capital	Chapter 12	Day 16
Part X1*: Discussion on Financial Markets (if time permits)	-	Day 17a
Part X2*: Overview of a few of the remaining chapters	-	Day 17b
Part X3*: Review for Final Exam	-	Day 18
Final Exam		Day 19

The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

\*: Part X1, X2, and X3 don't follow any particular chapters from the book.

**Things to Remember:**

- *Use of Electronic Devices:* **No electronic device, with an exception of financial calculator, is allowed to be used in class.** No iPods, any other MP3 players, etc. No Laptops - my class lectures don't require any use of laptops. If I find you using a one, that clearly indicates you are working on something else. Cell phones must be switched off or kept on silent mode.
- Do bring a financial calculator to every class. You will find it very useful.
- As a general rule, you are not allowed to eat during class. **I have strict NO chewing gum / bubble gum policy.** If you can't remain without chewing gum, don't take my class. However, if you like, you can bring in drinks like Coke/Pepsi, coffee or tea, etc.
- If during tests, you need any special attention (like physical disability, etc), you must bring it with me at least one day before the tests. I will not entertain any requests on the day of the exam.
- **You must bring Photo ID during all exams.** I reserve the right to deny you from taking the exam if you don't have a Photo ID with you.
- This is a **difficult** class. The field of finance is very broad and we move at a fast pace. The material builds on previous material, so it is important to NOT get behind.
- Working the assigned homework problems is the best step you can take to make a good grade in the course. Be able to understand HOW and WHY you get a result for a particular problem. No two finance problems are alike....
- Read the textbook ahead of class.
- **Take advantage of office hours.** They exist for a purpose.
- You may have to work harder and longer than your classmates to master the material.
- I will post outline of my notes on the WebCT. You may find it useful to bring a print out of these outlines to class.

**Additional Information about the book and financial calculator:**

*Text:*

**ESSENTIAL OF CORPORATE FINANCE,**  
**5<sup>th</sup> edition by Ross, Westerfield, and Jordan** (McGraw Hill Publishing)  
**ISBN: 0072946733**

*More about the book*

- These authors also have other books with similar titles – *Fundamentals of Corporate Finance, Corporate Finance, Core Principles and Applications of Corporate Finance* - DON'T buy any of those.
- This book is also available as an e-book at 50% of price of a new hard copy book. The e-book has both benefits and costs compared to a standard textbook. You can buy the e-version and access some other (mostly free) resources at the book website. [http://highered.mcgraw-hill.com/sites/0072946733/student\\_view0/index.html](http://highered.mcgraw-hill.com/sites/0072946733/student_view0/index.html)

*Calculator:*

**TI BA II PLUS**

I will be supporting this calculator in class lectures. The above text solutions show steps for the TI BA II PLUS, so that is the preferred calculator for the course. I strongly encourage you to buy this calculator. **If you use a different calculator, you are on your own in figuring out how it works and you must get it approved from me if that calculator would be allowed in tests.** As a general rule, no programmable calculator is allowed in exams.

Texas Instruments (TI) also another calculator, called TI BAI Plus Professional. Don't buy that calculator. It is more advanced and expensive and is not recommended for my course.